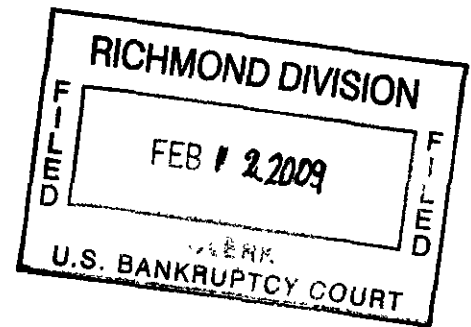


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**SW**  
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THOMAS R. SCHULTZ  
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February 10, 2009



***Via Overnight Mail***

Hon. Kevin R. Huennekens  
United States Bankruptcy Court  
Eastern District of Virginia, Richmond Division  
701 East Broad Street  
Richmond, VA 23219-1888

Re: ***Notice of Objection - Order Approving Agency Agreement, Store Closing Sales and Related Relief***

***In re: Circuit City Stores, Inc., et al, Debtors in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division***

Case No. 08-35653 (KRH)  
Our File No. 55142 NOV

Dear Honorable Judge Huennekens:

Our office serves as City Attorney for the City of Novi, Michigan. We recently received (informally) a copy of the January 16, 2009 Order Approving Agency Agreement, Store Closing Sales, and Related Relief in connection with the ongoing bankruptcy proceedings for Circuit City Stores, Inc., *et al*. Enclosed with this correspondence is a copy of a letter we wrote to Circuit City's counsel and the Agent, setting forth the City's "objection" to their apparent reading of provisions of the Order to allow signage in the City's rights-of-way in violation of generally applicable local health and safety laws and despite language in the order that seems to read to the contrary.

It is unclear whether the parties, the case, or the dispute described herein assert that the Order preempts enforcement of the City's generally applicable health and safety sign and loitering laws. Nonetheless, we presented our notice of "objection" to the Debtors and Agents as indicated in the Order in a general spirit of compliance with the Order, but without waiving the duty to enforce local health and safety laws.

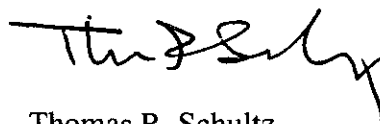
Hon. Kevin R. Huennekens  
February 10, 2009  
Page 2

As attorneys in the State of Michigan, we are not at present admitted before your Honorable Court and it is our hope that the presentation of this letter and attached correspondence will serve as appropriate notice of the City's "objection."

Should we be notified otherwise, we will consider undertaking efforts to file a formal motion to this effect.

If you have any questions, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Th R Schultz", written over the typed name.

Thomas R. Schultz

TRS/jtc  
Enclosure

cc: Clay J. Pearson, City Manager  
David Molloy, Chief of Police

1187503

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February 10, 2009

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**Via Fax and Overnight Mail**

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Re: ***Notice of Objection – Order and Reservation of Rights Potential  
“Dispute” Approving Agency Agreement, Store Closing Sales and  
Related Relief***  
***In re: Circuit City Stores, Inc., et al, Debtors in the United States  
Bankruptcy Court for the Eastern District of Virginia, Richmond  
Division***  
Case No. 08-35653 (KRH)  
Our File No. 55142 NOV

Dear Sirs:

Our office serves as City Attorney for the City of Novi, Michigan. We recently received (informally) a copy of the Order Approving Agency Agreement, Store Closing Sales, and Related Relief in connection with the ongoing bankruptcy proceedings for Circuit City Stores, Inc., *et al*. Please consider this letter as the City of Novi's notice to you that the use of sign walkers, street signage, and other signs in the City's rights-of-way—as has recently occurred in connection with the liquidation sales—is a violation of local general and safety laws.

The City has documented a number of violations of the City's sign and general ordinances involving the use of large signs held by individuals standing in the City's rights-of-way, usually on public sidewalks. These ordinances were duly and properly enacted under the broad police powers afforded to cities in the State

Messrs. Galardi, Hayes, Foley, Dickerson, and Naughton  
February 10, 2009  
Page 2

of Michigan. In particular, the activities occurring are, at a minimum, violations of the City's Sign Ordinance under §28-10, which prohibits the use of portable signs; §28-8 prohibiting off-premises signs; and, finally, in the general Code of Ordinances, §22-92, Loitering.

We understand that the Bankruptcy Court's order of January 16, 2009, is apparently being read by the Liquidators' agents to indicate that such signage in the rights-of-way is permitted. We note that both the Order (¶10) and the Sales Guidelines indicate that their provisions relate to activities "at" the sale location—which does not include the City's rights-of-way or other surrounding private property. We also assert that the ordinances noted above are, under Michigan law, public health and safety laws, and not merely aesthetic. They neutrally regulate the usage of signs by the Debtors and their Agents and do not specifically conflict or occupy a field principally or directly regulated by federal bankruptcy law.

To the extent that there is disagreement over whether the Order applies to the ordinances at issue, we note that the Order does permit the City to "object" to its provisions and also to avail itself of a dispute resolution process. While we disagree with any interpretation that the Bankruptcy Court's Order preempts enforcement of the generally applicable safety laws of the City of Novi, we present this letter in the spirit of compliance with the notice and dispute resolution strictures contained in the Order and as a formal "objection" to any terms within it that would be read to permit the Debtors and their Agents to cause a hazardous and dangerous condition on the City's streets and sidewalks.

If you have any questions, please do not hesitate to call me.

Very truly yours,

  
Thomas R. Schultz

TRS/jtc  
cc: Hon. Kevin R. Huennekens

B10 (Official Form 10) (12/07)

<b>UNITED STATES BANKRUPTCY COURT Eastern District of Virginia</b>		<b>PROOF OF CLAIM</b>
Name of Debtor: <u>Bridgette L. Hooper</u>		Case Number: <u>09-30565-KRH</u>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <u>Check City</u>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent:  <div style="text-align: center;"><b>Check City Regional Office 2729-B West Broad Street Richmond, Virginia 23220</b></div>		<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>RICHMOND DIVISION</b>  <b>FEB 12 2009</b>  <b>CLERK</b>  <b>U.S. BANKRUPTCY COURT</b> </div> Court Claim Number: _____ Filed on: _____
Telephone number: <u>804-359-8608</u>		
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number:		
1. Amount of Claim as of Date Case Filed: <u>\$ 680.00</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> (Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.)		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____):
2. Basis for Claim: <u>money loaned</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: <u>7432</u>  3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  Value of Property: \$ _____ Annual Interest Rate: _____ %  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____  Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)  <b>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</b>  If the documents are not available, please explain:		Amount entitled to priority:  <u>\$</u> _____  <small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
Date: <u>02-04-09</u>	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <u>Heather Gibson Collections</u>	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 1342 and 3571.		FOR COURT USE ONLY